

# **City of West University Place, Texas**

## **1999 Budget**



# **CITY OF WEST UNIVERSITY PLACE, TEXAS**

## **1999 BUDGET**

### **CITY OFFICIALS**

**Teresa Fogler  
Mayor**

#### **Members of the City Council**

**Cindy Sparkman  
Cindy Neal  
Patrick Starich  
Tony Davis**

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**Robert "Sherman" Yehl  
City Manager**

**Walter Thomas  
Finance Director**



## CITY OF WEST UNIVERSITY PLACE 1999 ANNUAL BUDGET

### INTRODCUTION

You are holding the published City of West University Place, Texas *1999 Annual Operating Budget*. This document has been prepared to help you learn of the issues affecting the community of West University Place. Some people believe that a city budget is only a **financial plan**, replete with boring statistics and financial schedules. Although this document has its share of financial schedules and statistics, the *1998 Annual Operating Budget* serves other functions as well. For example, it is a **policy document** that presents the major policies that guide how the City is managed. It is also an **operations guide** that gives the public, elected officials and city staff information pertaining to the production and performance of individual city operations. Finally, the *1998 Annual Operating Budget* is intended to be a **communications tool** formally transmitting the City's revenue and expenditure plan for the year.

### FORMAT

The *1999 Annual Operating Budget* is divided into three major sections: *Introductory*, *Financial/Operational*, and *Appendices*. The Introductory section contains the City Manger's letter addressed to the City Council which explains the major policies and issues which affected the development of the *1999 Annual Operating Budget*. This section also contains a chart showing the how the City is organized, and a financial schedule summarizing the budgeted financial activity for all of the City's funds.

The Financial/Operational section of the *1999 Annual Operating Budget* is grouped first by fund and then by department. Like most local governments, the City uses funds to account for its financial activities. A Fund is simply a device to segregate and account for public resources. Financial statements, including the adopted 1999 budget are presented for every fund. Like the checking account statement you receive from your bank, the statements show beginning balances, revenues, expenditures and ending balances for each year. Accompanying the statements are narrative discussions of each fund's financial activity for the prior year and the expected activity for 1999. Graphs and schedules have also been provided to help make certain points clearer.

Funds are divided into departments or projects. A Department is responsible for carrying out a specific part of the City's mission. Each department is presented with a chart showing how it is organized, a brief statement describing the department's mission, a list of the department's accomplishments in 1998, and a discussion of what the department hopes to accomplish in 1999. A schedule showing the department's finances over several years is also provided. A Project encompasses a specific major task, usually taking more than one year to complete. Each project is presented showing the estimated total cost of the project, expenditures already made and the 1999 project budget.

A detailed schedule showing the City's employees along with information about wages and salaries; details about the City's debt and revenues; projections of the City's finances; and a glossary of terms are presented in the appendices.

Should you have any questions regarding the information presented in this document, please call the Finance Director, or any other staff members; their names and telephone numbers are on the back page.



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# City of West University Place



Mayor Teresa Fogler  
City Council Members  
City of West University Place  
3800 University Boulevard  
West University Place, Texas 77005

Dear Mayor Fogler and City Council Members,

In compliance with State law and the City Charter, I am pleased to submit the 1999 Annual Budget for the City of West University Place.

This budget proposes no changes in the level of city services but includes the increased debt service for the 1998 bonds issued to finance the ongoing infrastructure replacement program. There is a \$0.02 per \$100 increase of the *ad valorem* (property) tax rate dedicated to fund debt service.

There are no fee or tax increases to fund existing services. The City's tax rate is divided into two components, the maintenance/operations rate and the debt service rate. The 1999 Annual Budget maintains the maintenance/operations rate at 21 cents per \$100 valuation – the fourth consecutive year it has remained at this level.

The Annual Budget provides a financial blueprint for the City's operations in the coming year, but more than that it is a policy statement. The Annual Budget is the City's "steering wheel" in that during its preparation choices are made concerning the goals and objectives of the City in order to allocate resources to accomplish them. With this in mind the following are some of the features contained in the City of West University Place's 1999 Annual Budget:

**Personnel.** The Proposed Budget provides a 2.6% increase in salaries and wages to insure the City's compensation stays competitive. The pay plan will be first reviewed to ensure that compensation is at market value. Performance will then be considered for additional compensation.

The 1999 Annual Budget calls for 90 employees to be funded by the General Fund, 15 to be funded in the Water and Sewer Fund, and nine to be funded in the Solid Waste Fund for a total of 114. During 1998, increased building in West U increased the workload in the Public Works Department's Building Division causing the addition of a building secretary position.

The budget includes funding for a Fire Marshal to move the City toward improving its Insurance Standards Organization ("ISO") accreditation. A better ISO accreditation would result in lower fire insurance premiums citywide. However, this matter will be under review during the next year to determine the cost-benefit of adding this position.

**Current Service Levels.** The proposed Budget used baseline funding for all departments. Each department used last year's budget as a starting point for preparing this year's budget. There are no changes in the baseline budget in 1999.

**User Fees and Service Charges.** The 1999 Budget does not include any fee increases. The City's water and sewer service fees provide the revenue to pay debt service on revenue bonds issued to fund the Water and Sewer Fund's portion of infrastructure replacement and this amount has been increasing relentlessly since 1995 as bonds are sold. A rate increase is inevitable. However, because of significant changes in the pattern of the costs to provide water brought about by the surface water contract with the City of Houston, the structure of the City's water and sewer rates should first be reviewed to make sure that the rate distributes costs fairly.

The Solid Waste Fund's expenditures are expected to exceed revenues. Efforts to curb costs appear to have been successful, but the savings are not enough to bring the Fund's expenditures into balance with its revenues. Funds have been set aside to provide a "pay as you throw" pilot.

Ambulance fees for residents are proposed for elimination in 1999. The City has not been successful in its billing and collection programs of the revenue generated by these billings causing the revenue generated by these billings to be minimal. This fee will be reviewed during the coming year to determine what effect, if any, the elimination had on service runs.

This important service will be completely reviewed to insure that the most effective and efficient approach is being used, and a rate increase may be required in late 1999.

**Capital Improvements.** The following capital improvements are moved from planning to implementation in the 1999 Budget:

Document Management System	\$ 30,000
Scout House Improvements	8,500
Radio Equipment	130,000

Funding is also set aside for professional services associated with the long-range urban design planning process currently under way.

The infrastructure replacement program will complete priority areas 5B/6A during 1999. Work will commence on 6B and 7A.

Future projects, not yet funded, include acquiring and renovating the YMCA and purchasing property to complete Colonial Park.

Revenues and expenditures budget for 1999 include:

	Beginning Balance	Estimated Revenues	Operating Expenditures	Transfers in (out)	Ending Balance
General Fund	3,782,323	6,915,900	7,034,400	(300,000)	3,363,823
Water and Sewer Fund	4,182,589	3,258,500	3,220,030	(800,000)	3,421,059
Water and Sewer Capital					
Project Reserve	131,794	11,000	910,000	800,000	32,794
Solid Waste Fund	128,090	810,000	1,009,510	100,000	28,580
Debt Service Fund	898,302	3,741,450	3,628,430	-	1,011,322
Capital Project Fund	1,564	460,000	686,500	225,000	64
Equipment Replacement Fund	54,974	341,890	145,000	-	251,864
Parks Fund	9,050	8,000	-	-	17,050
Recycling Fund	13,628	41,500	12,000	(25,000)	18,128
	<u>9,202,314</u>	<u>15,588,240</u>	<u>16,645,870</u>	<u>-</u>	<u>8,144,684</u>

**Reserves.** The City must maintain reserves to insure the orderly delivery of service and to protect from unforeseen events. In 1998 a new Equipment Replacement Fund was created to provide reserves to be used in purchasing equipment used in providing services. In 1999 the Equipment Replacement Fund will purchase two police patrol cars and a ambulance. This Fund is expected to end 1999 with over \$250 thousand in fund balance to fund future equipment purchases.

The City's total reserves remain very adequate for a small municipality like West U, but they are not inexhaustible. The City has made considerable investment in capital over the past several years. Since there is no funding available for major capital projects, other than fund balance and debt, the available balances have declined steadily since 1994. The City is concluding an ambitious capital improvement plan.

Over the past several years fund balances have provided funds to, among other things, renovate City Hall, build a new Public Works Building, renovate the Recreation Building, and construct a new Recycling Facility. Funds for future capital purchases will be more limited.

Fund balances of all operating funds will be at 53% of revenues by the end of 1999.

With the completion of the comprehensive plan process, continuation of the infrastructure improvement program and technological enhancements, 1999 will be an exciting year in West University government. I look forward to working with City Council as we prepare for the future.

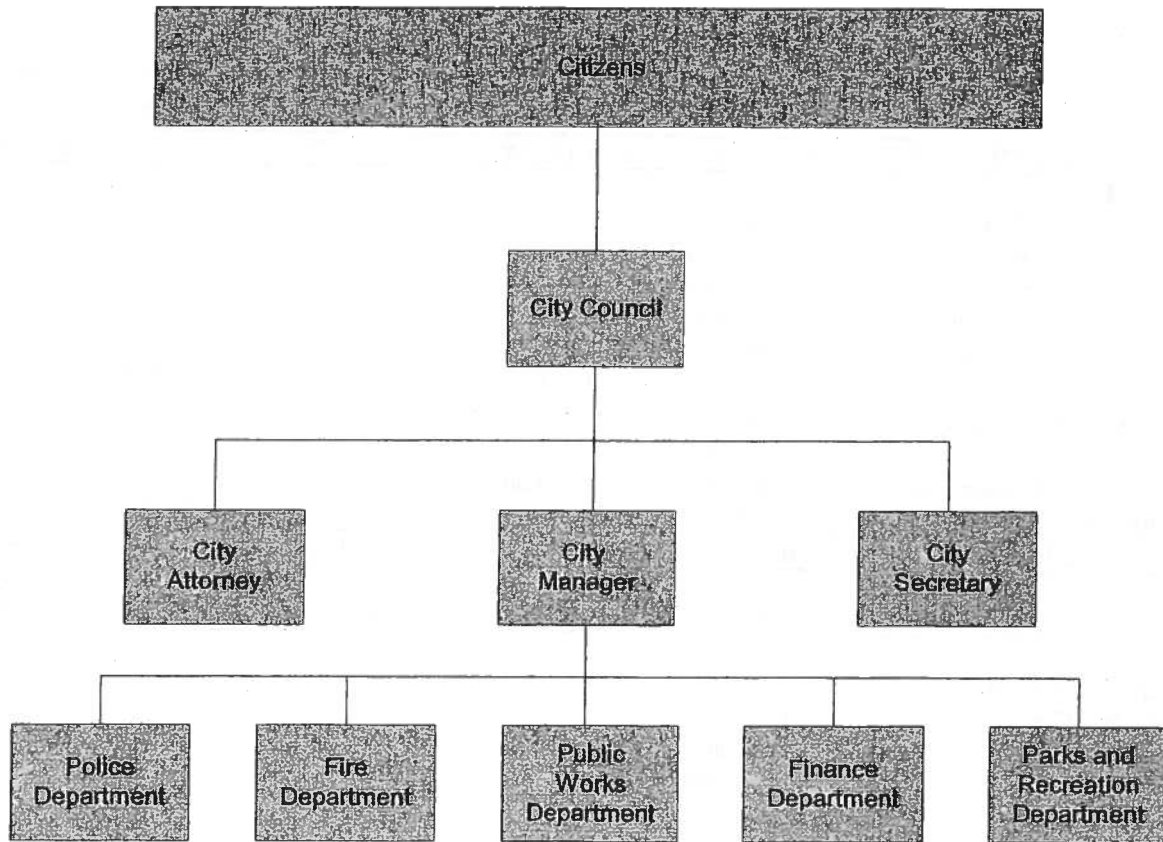
Sincerely

Robert P. Yehl  
City Manager



# CITY OF WEST UNIVERSITY PLACE

## ORGANIZATION CHART

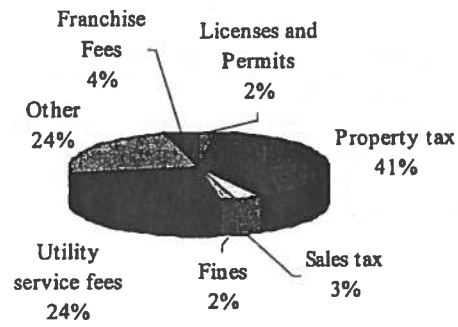


**1999 ANNUAL BUDGET****COMBINED SUMMARY OF REVENUES AND CHANGES IN FUND BALANCE****ALL FUNDS ADJUSTED FOR INTERNAL TRANSACTIONS**

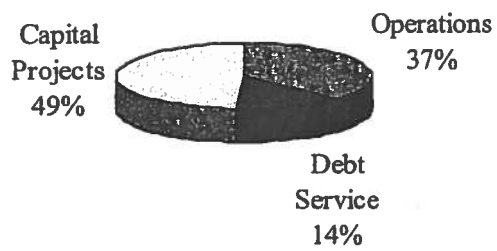
	GENERAL FUND	WATER AND SEWER UTILITY FUND		SOLID WASTE FUND	DEBT SERVICE FUND
		WATER UTILITY FUND	WATER CAPITAL FUND		
BEGINNING BALANCE	\$ 3,680,323	\$ 4,182,589	\$ 131,794	\$ 128,090	\$ 898,302
REVENUES					
Ad Valorem Taxes	3,274,850				3,241,450
City Sales Tax	556,000				
Franchise Fees	714,000				
Licenses and Permits	299,450				
Fines and Forfeitures	280,000				
Service Fees	277,000	2,853,500		810,000	
Recreation Programs	383,000				
Administration Services	631,000				
Interest on Investments	325,000	350,000	11,000		500,000
Other Revenues	175,600	35,000	800,000	100,000	
TOTAL REVENUES	6,915,900	3,238,500	811,000	910,000	3,741,450
TOTAL AVAILABLE RESO	10,596,223	7,421,089	942,794	1,038,090	4,639,752
EXPENDITURES:					
General Government	2,068,600				
Public Safety	3,143,800				
Public Works	1,293,900				
Public Services	828,100				
Debt Service		711,130			3,628,430
Capital Projects			1,020,000		
Utilities		3,309,600		905,300	
TOTAL EXPENDITURES	7,334,400	4,020,730	1,020,000	905,300	3,628,430
ENDING BALANCE	\$ 3,261,823	\$ 3,400,359	\$ (77,206)	\$ 132,790	\$1,011,322

CAPITAL PROJECT FUNDS			SPECIAL REVENUE FUNDS		TOTAL ALL FUNDS	
CAPITAL PROJECTS FUND	INFRA- STRUCTURE FUND	EQUIPMENT REPLACEMENT FUND	PARKS FUND	RECYCLING FUND	1999 BUDGET	1998 BUDGET
\$ 1,564	\$ 14,613,590	\$ 54,974	\$ 9,050	\$ 13,628	\$ 23,713,904	\$ 17,341,989
					6,516,300	5,992,000
					556,000	429,000
					714,000	630,000
					299,450	311,000
					280,000	305,000
					3,940,500	3,653,500
					383,000	314,000
					631,000	631,000
150,000	300,000	2,500	3,000	1,500	1,643,000	882,000
675,000	270,000	339,390	5,000	40,000	2,439,990	2,036,390
825,000	570,000	341,890	8,000	41,500	17,403,240	15,183,890
826,564	15,183,590	396,864	17,050	55,128	41,117,144	32,525,879
					2,068,600	1,140,090
					3,143,800	3,111,800
					1,293,900	1,231,210
					828,100	740,530
					4,339,560	741,620
816,500	13,317,189	145,000			15,298,689	3,632,960
				37,000	4,251,900	2,019,750
816,500	13,317,189	145,000	-	37,000	31,224,549	12,617,960
\$ 10,064	\$ 1,866,401	\$ 251,864	\$ 17,050	\$ 18,128	\$ 9,892,595	\$ 19,907,919

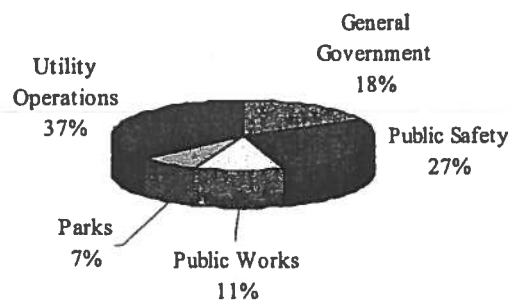
**Revenues by Source**



**Total Expenditures by Category**



**Operating Expenditures by Category**





# **THE GENERAL FUND**

## FUND DESCRIPTION:

The General Fund accounts for revenue, expenditures, and transfers associated with municipal services not directly supported or accounted for in other funds.

## FUND FINANCIAL ACTIVITY:

The General Fund finances nearly all of the City's services. Issues such as the *ad valorem* tax rate, fees, objectives, levels of service, the number of employees, salaries and benefits are all determined during the preparation of the General Fund's budget. The General Fund is the source of funds for all six of the City's departments: Police, Fire, Public Works, Parks and Recreation, Finance, and Administration.

**Revenue Projections for 1998.** The 1998 Budget estimated revenues to finance the General Fund's services at \$6,577,000. Based on collections and data available on August 31, 1998, this original estimate has been revised to \$6,764,700. Property tax, sales tax, and revenues generated from building activity all contributed to higher than expected revenues.

**Expenditure Estimated for 1998.** The 1998 Budget appropriated \$6,893,250. Of this amount, \$6,593,250 was to provide the General Fund's traditional services and \$300,000 to be transferred to other funds. Through August 31, 1998, it appears that actual expenditures will be close to the appropriated amount.

**Financial Position in 1998.** By any standard of measure, the City of West University Place's General Fund will close 1998 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$3.8 million. This amount represents 56.2% of estimated 1998 revenues. While there is no formal standard of measure established to determine the amount of funds a City should retain in reserve, most analysts agree that it be no less than 25% of a fund's annual revenues. In view of the City's current debt position and the plan to issue still more debt, a higher fund balance seems prudent.

The City's General Fund Balance has declined \$2.1 million from the \$5.5 million available January 1, 1994. This decline was planned. The

City reduced reserves by updating its infrastructure and municipal facilities.

## 1999 BUDGET

**Projected 1999 Revenues.** The City's General Fund Revenues for fiscal 1999 should be up 2.2% over 1998 revenues. Total revenues are expected to be \$6,915,900. Revenues from property taxes will grow by \$132,850 because of increases in assessed values brought on by new construction. The (*ad valorem*) tax rate dedicated to operations will be \$0.21, the same as for the past four years.

Revenues generated by the City's one-cent sales tax are budgeted at \$556,000, up from the \$555,000 estimated for 1998. The City's stable business community and prior year collections justify this estimated increase.

Franchise taxes provide \$714,000, or 10.3% of the City's General Fund revenues. There seems to be little upward pressure on utility rates so revenues from this source should be stable. Collections in prior years have exceeded budget, justifying an increase in the estimated revenues.

As in previous years, the 1999 Budget anticipates a payment from the Water and Sewer Utility Enterprise Fund. This \$441,000 payment is a reimbursement for the Utility Fund's share of administrative costs. Meter reading, billing, accounting, legal, data processing and insurance are all budgeted in the General Fund in order to centralize these costs. As in 1998, a transfer of \$190,000 from the Solid Waste Fund has been budgeted for similar services.

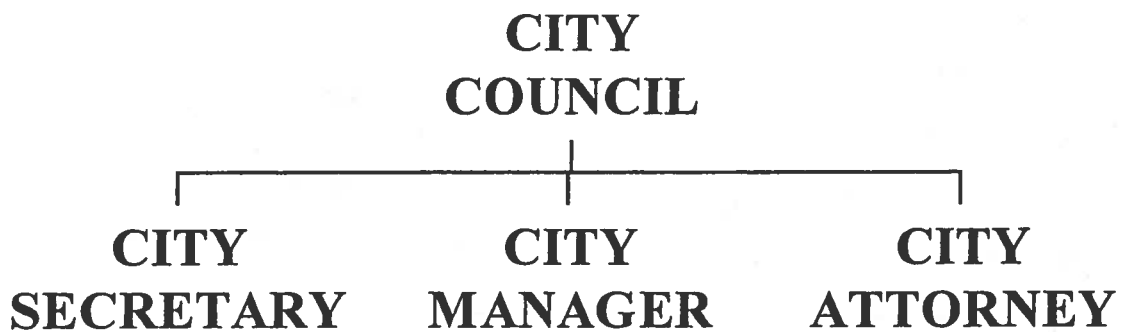
**Expenditures in 1999.** The 1999 Budget appropriates \$7,334,400 in the General Fund. The General Fund's 1998 Budget was \$6,893,250, so this Budget represents a 6.4% increase. Personnel costs, held steady by retirements and lower health care costs, are expected to increase 1.4% to \$4.85 million. The 1999 Budget provides an allowance of 3% of current salaries to be used to provide salary increases.

	Actual 1997	Budget 1998	Estimate 1998	Budget 1999
REVENUES:				
Property taxes	\$ 3,124,989	\$ 3,142,000	\$ 3,142,000	\$ 3,274,850
Franchise taxes	716,279	630,000	714,000	714,000
Sales taxes	543,756	429,000	555,000	556,000
Licenses and Permits	329,958	248,500	335,100	299,450
Fees for service	262,955	337,000	255,000	277,000
Other charges and fees	104,752	79,500	128,511	93,300
Recreation fees	389,450	343,000	341,600	383,000
Fines and court costs	368,080	305,000	180,000	280,000
Investment earnings	301,604	350,000	350,000	325,000
Other revenues	117,650	82,000	132,500	82,300
Interfund transactions	<u>410,000</u>	<u>631,000</u>	<u>631,000</u>	<u>631,000</u>
TOTAL REVENUES	6,669,473	6,577,000	6,764,711	6,915,900
EXPENDITURES:				
Administration	380,613	356,440	379,810	414,500
Finance	1,564,128	1,453,270	1,540,115	1,654,100
Police	1,693,595	1,819,960	1,813,470	1,764,900
Fire	1,213,862	1,291,840	1,307,950	1,378,900
Public Works	1,271,081	1,231,210	1,245,265	1,293,900
Parks and Recreation	<u>700,058</u>	<u>740,530</u>	<u>718,550</u>	<u>828,100</u>
TOTAL EXPENDITURES	<u>6,823,337</u>	<u>6,893,250</u>	<u>7,005,160</u>	<u>7,334,400</u>
NET REVENUE (EXPENDITURE)	(153,864)	(316,250)	(240,449)	(418,500)
BEGINNING BALANCE	<u>4,074,636</u>	<u>3,920,772</u>	<u>3,920,772</u>	<u>3,680,323</u>
ENDING BALANCE	<u>\$ 3,920,772</u>	<u>\$ 3,604,522</u>	<u>\$ 3,680,323</u>	<u>\$ 3,261,823</u>



# **ADMINISTRATION**

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## **DEPARTMENT MISSION**

*To effectively and efficiently implement and administer the policies as established by the City Council*

# ADMINISTRATION

## ACTIVITY SUMMARY

The Department of Administration is responsible to the City Council for the efficient delivery of City services. The City Manager serves as chief administrative officer and has day to day responsibility for the operation of all City activities. The City Secretary is responsible to the City Council for maintaining ordinances, resolutions, meeting minutes, and legally required publications. The City Attorney provides City Council with general counsel, litigation, contract review, and ordinance review.

### *Accomplishments in 1998:*

- \* Directed the renovation of the Municipal Building.
- \* Implemented the City's Strategic Plan.
- \* Coordinated the updating of the City's

### Comprehensive Plan and Vision 2020.

- \* Developed a communication program to keep citizens informed.

### *Objectives in 1999:*

- \* Update Municipal Code.
- \* Complete Comprehensive Plan and Vision 2020 process
- \* Ensure all computer operations are Y2K compliant.
- \* Update website and contents
- \* Conduct municipal election.

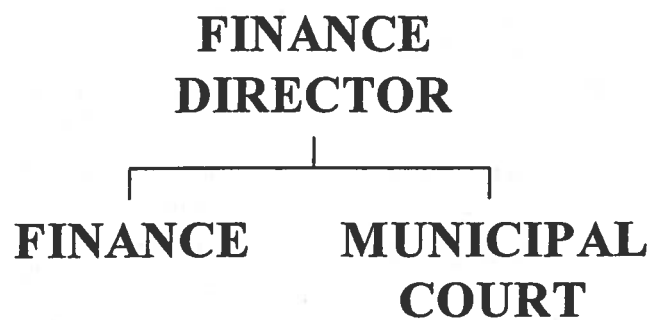
### *Major Budget Items:*

- \* Legal fees. (\$67,000)
- \* *City Currents* publication and mailing costs (\$25,000)

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Administration</i>				
Personnel	\$ 212,672	\$ 218,360	\$ 219,110	\$ 234,600
Operating charges	167,941	138,080	158,000	176,400
Capital	-	-	2,700	3,500
Total	\$ 380,613	\$ 356,440	\$ 379,810	\$ 414,500

# FINANCE

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## DEPARTMENT MISSION

*To provide useful financial management services to other City Departments, timely and accurate billing to citizens, fair and efficient administration of the municipal court, and useful financial reporting to the City's financial stakeholders*

# FINANCE

## ACTIVITY SUMMARY

The City's Finance Department is charged with the responsibility to provide the general supervision to this Department's two divisions. The Finance Department provide a wide range of financial and administrative services to citizens and other City Departments including: utility and tax billing, purchasing, budgeting, risk management, cash management, personnel, payroll, accounts payable, and financial reporting. The Finance Department directs the administration of the City's Municipal Court. Finally, expenditures and transfers that cannot be allocated to other departments in a satisfactory way are included in this budget.

### *Accomplishments in 1998:*

- \* Relocated financial operations to temporary quarters.
- \* Implemented the new general ledger, payroll and tax billing software.
- \* Implemented purchasing card program.

### *Future Objectives:*

- \* Implement new software that will allow automated clearinghouse (ACH) transactions for water utility payments.
- \* Issue the Comprehensive Annual Financial Report by April 30, 1999.
- \* Compile an accounting procedure manual.

### *Major Budget Items:*

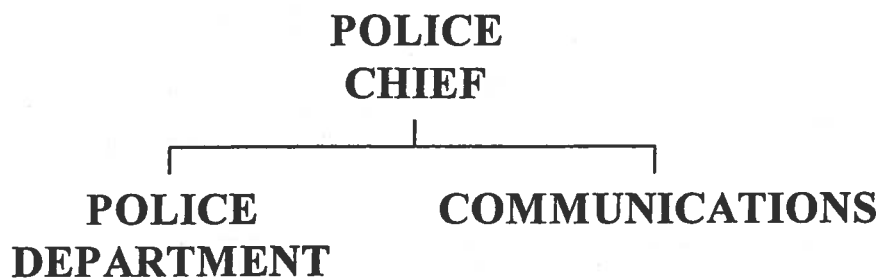
- \* Harris County Central Appraisal District (\$48,000). Required payment for appraisal services.
- \* Audit fees (\$16,000). Payment for Lairson, Stephens, and Reimer for annual audit.
- \* Meter Reading Service (\$36,000). Cost of contracted meter reading services.
- \* Software support (\$30,000). Telephone support for financial software.
- \* Electricity for street lights.
- \* Insurance.

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Administration</i>				
Personnel	\$ 389,897	\$ 389,140	\$ 385,240	\$ 399,400
Operating charges	219,218	230,920	245,720	256,800
Capital	-	-	-	4,000
Total	609,115	620,060	630,960	660,200
<i>Municipal Court</i>				
Personnel	147,468	155,120	140,040	159,200
Operating charges	5,561	8,470	5,900	10,400
Capital	2,295	-	1,995	2,500
Total	155,324	163,590	147,935	172,100
<i>City-Wide Charges</i>				
Personnel	25,841	20,000	20,000	30,700
Operating charges	773,848	649,620	741,220	791,100
Total	799,689	669,620	761,220	821,800
Department Total	\$ 1,564,128	\$ 1,453,270	\$ 1,540,115	\$ 1,654,100



# **POLICE**

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## **DEPARTMENT MISSION**

To preserve the peace and to protect life and property by enforcing State, Federal and local laws.

# POLICE DEPARTMENT

## ACTIVITY SUMMARY

The Police Department is responsible for preserving the peace and basic law enforcement in the City. The Department also has assumed responsibility for the operations of the new central alarm monitoring system, Direct Link.

### *Accomplishments in 1998:*

- \* Selected new chief and supervisors.
- \* Reorganized the Detective Division.
- \* Installed new public safety software.
- \* Instituted new animal registration program.
- \* Developed and implemented Bicycle Patrol pilot program.
- \* Redirected traffic enforcement to

neighborhood streets.

### *Future Objectives:*

- \* Work toward completion of re-accreditation assessment..
- \* Upgrade city radio system.
- \* Develop plans to enlarge the dispatch center into a two position facility.
- \* Increase Direct Link customers and revenues.
- \* Improve animal control facility.

### *Major Budget Items:*

- \* Three patrol car video cameras (\$16,500).  
Replaces existing equipment

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Police</i>				
Personnel	\$ 1,237,784	\$ 1,254,480	\$ 1,252,100	\$ 1,204,900
Operating charges	175,680	264,500	265,790	279,600
Capital	65,961	23,000	23,000	21,800
Total	1,479,425	1,541,980	1,540,890	1,506,300
<i>Communication</i>				
Personnel	195,286	204,380	203,280	205,300
Operating charges	18,884	65,600	61,300	53,300
Capital	-	8,000	8,000	-
Total	214,170	277,980	272,580	258,600
Department Total	\$ 1,693,595	\$ 1,819,960	\$ 1,813,470	\$ 1,764,900

# **FIRE**

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**FIRE  
CHIEF**

|

**FIRE  
DEPARTMENT**

## **DEPARTMENT MISSION**

*To protect lives and health of the citizens of West University Place and their property  
from fire, man-made or natural disasters, and contagious diseases.*

# FIRE DEPARTMENT

## ACTIVITY SUMMARY

The Fire Department is responsible for protecting lives and property from fire and natural disasters. The City's Fire Department provides fire suppression, emergency medical services with advanced life support capability practiced by trained paramedics, fire inspections, and health services.

### *Accomplishments in 1998:*

- \* Completed Emergency Management Plan and submitted to the State for approval.
- \* Entered into a inter-local agreement with Harris County to provide disaster aid.
- \* Replaced all computer workstations and worked with Police in installing new Public Safety software.
- \* Relocated Fire Department into temporary quarters without service disruption

### *Future Objectives:*

- \* Request ISO rating inspection to improve class rating.
- \* Develop new mutual aid agreements with Southside Place and Bellaire.
- \* Begin self-assessment and evaluation in preparation for Fire Department accreditation.

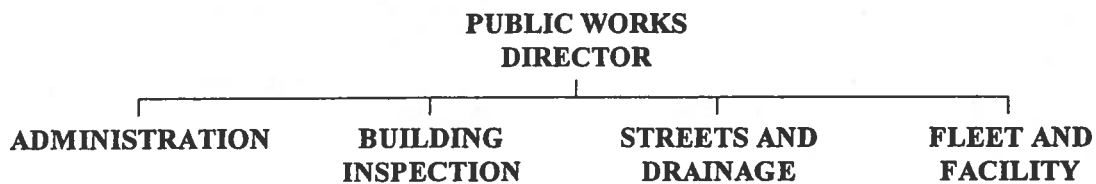
### *Major Budget Items:*

- \* Communication expense (\$32,200). City wide maintenance of telephones.
- \* Operating supplies (\$35,000). Fire fighting equipment: helmets, bunker gear, other supplies.
- \* Mosquito spraying contract (\$13,400).
- \* Fire Marshall position (\$66,000) salary and benefit.

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Fire</i>				
Personnel	\$ 1,125,935	\$ 1,163,310	\$ 1,179,010	\$ 1,251,700
Operating charges	84,255	112,630	113,040	127,200
Capital	3,672	15,900	15,900	-
Total	1,213,862	1,291,840	1,307,950	1,378,900

# PUBLIC WORKS

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## DEPARTMENT MISSION

*The Department's mission is to provide the following services: (1) maintain the City's streets at a level consistent with a modern urban area; (2) maintain the City's drainage system to insure that storm water is removed at the peak levels for which the system was designed; (3) insure the City's fleet of motor vehicles are maintained at highest standards of safety and efficiency; (4) insure that the City's buildings are maintained to be an attractive and comfortable environment to conduct the City's business; and (5) enforce the City's building, plumbing, and electrical codes to insure the construction and maintenance of safe residential and commercial structures.*

# PUBLIC WORKS

## ACTIVITY SUMMARY

The Public Works Department is responsible for the City's civil engineering, utility, and internal maintenance services. This diverse department encompasses street and drainage maintenance, enforcing building codes, solid waste collection, and maintaining the City's buildings and vehicles.

### Accomplishments in 1998:

- \* Completed plans and specifications for Priority Area 6B.
- \* Began planning for Priority Area 7A.
- \* Final construction of Priority Area 4B/5A.
- \* Initiated and supported use of Special Collection Service Fee in solid waste.

### Future Objectives:

- \* Install Service Request/Work Order system.
- \* Review solid waste operations in order to improve service and reduce costs.
- \* Complete water and sewer relocations for Priority Areas 2, 3, and 4A.

### Major Budget Items:

- \* Building maintenance (\$75,000).
- \* Maintenance of streets and drainage systems (\$45,000).
- \* Custodial contract for city facilities (\$43,000)

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Administration</i>				
Personnel	\$ 228,135	\$ 233,830	\$ 210,700	\$ 214,300
Operating charges	34,075	29,000	36,620	37,200
Capital	2,384	4,000	3,448	-
Total	264,594	266,830	250,768	251,500
<i>Building</i>				
Personnel	227,700	227,840	257,820	278,400
Operating charges	16,696	34,770	40,070	38,700
Capital	18,853	3,500	9,210	-
Total	263,249	266,110	307,100	317,100
<i>Streets and Drainage</i>				
Personnel	365,126	370,790	360,490	372,100
Operating charges	117,908	129,770	132,070	137,100
Capital	31,366	3,000	3,007	-
Total	514,400	503,560	495,567	509,200
<i>Fleet and Facility</i>				
Personnel	67,163	60,410	65,100	67,600
Operating charges	131,907	134,300	126,730	148,500
Capital	29,768	-	-	-
Total	228,838	194,710	191,830	216,100
Department Total	\$ 1,271,081	\$ 1,231,210	\$ 1,245,265	\$ 1,293,900

# **PARKS AND RECREATION**

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## **RECREATION DIRECTOR**

**PARKS AND  
RECREATION**

**SENIOR  
SERVICES**

## **DEPARTMENT MISSION**

To provide the City residents of every age recreation, health, fitness, and athletic programs.

# PARKS AND RECREATION

## ACTIVITY SUMMARY

The Parks and Recreation Department oversees recreation programs, senior services, special events, grounds and right-of-way maintenance, as well as the development and maintenance of parks.

### *Accomplishments in 1998:*

- \* Completed renovation of Judson Park.
- \* Improved swim team by hiring trained coach.
- \* Supervised major repairs to swimming pool.

### *Future Objectives:*

- \* Develop a comprehensive plan for Colonial Park.
- \* Renovate Whitt Johnson Park.

### *Major Budget Items:*

- \* Grounds and right of way maintenance (\$67,500). Mowing and maintaining City owned property.
- \* Utilities (\$70,650). Pays for lighting at baseball fields and the Community Center.
- \* Contract sports program (\$27,000). Payment to Tri-Sports for youth sports program.
- \* Part Time/Temporary employees (\$207,500). Employees to staff the swimming pool, serve as lifeguards, staff the recreation building, provide recreation services, and maintain city facilities.
- \* Swimming pool maintenance (\$19,000).

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Parks and Recreation</i>				
Personnel	\$ 353,716	\$ 377,880	\$ 369,940	\$ 393,700
Operating charges	220,756	230,640	222,750	286,000
Capital	7,000	3,000	3,000	11,500
Total	581,472	611,520	595,690	691,200
<i>Senior Services</i>				
Personnel	102,980	106,770	102,520	112,500
Operating charges	15,606	22,240	20,340	22,000
Capital	-	-	-	2,400
Total	118,586	129,010	122,860	136,900
Department Total	\$ 700,058	\$ 740,530	\$ 718,550	\$ 828,100



# **ENTERPRISE FUNDS**

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## WATER AND SEWER FUND

Enterprise funds are operated and accounted for like business enterprises in the private sector. Specifically, enterprise funds are meant to be self-supporting. The Water and Sewer Fund (Water Fund) accounts for the revenue, expenditures and transfers associated with the operation of the water and sanitary sewer system. User fees finance the system and its services.

To more clearly account for the major capital expenditures necessary to maintain the system, the Water Fund has been divided into operating and capital sections. The operating section accounts for system operations, including personnel, supplies, services and operating capital equipment. The capital section deals with unusual or very large capital projects. These projects generally are to renovate the water delivery or wastewater collection system to keep them in compliance with regulations and laws, safe, and in service.

In terms of revenue, the Water Fund produces less than a third of the revenues generated in City's General Fund. In spite of the smaller revenue base, the Water Fund's impact in the community may well exceed the General Fund's. Often the initial operation of a City is its Water Utility and, in many cases, the reason for incorporating a City is the need for drinking water and the sanitary disposal of wastewater.

Water and Sewer systems are expensive to construct. Operating costs are insignificant when compared to expenditures made to acquire and repair capital assets. This is true in West University Place. The City has almost \$24.5 million invested in capital assets associated with the water and sewer utility. Put another way, the City could operate the water and sewer utility for ten years on the cash it has invested in the system's capital assets. Additionally, most of the Water Fund's capital was acquired over thirty years ago. The cost of replacing the Fund's \$24.5 million would be staggering at today's costs.

A significant portion of the City's infrastructure replacement program is dedicated to Water and Sewer Assets. Over the next ten years the City will spend more than \$18,000,000 on replacing aging water delivery and sewer collection systems.

In order for the Water Fund to be self-supporting, the water and sewer service fees must reflect both the cost of operations and the cost of capital, or else the system will deteriorate. Typically, the cost of capital is reflected in the water and sewer rates by charging a rate sufficient to cover the operating costs *and the debt service costs associated with major capital maintenance*. The City did not follow this practice in the past.

As part of a policy shift in 1995, it was the expressed intent of the community to begin to include the cost of water and sewer capital in the Water Fund so that the rates could reflect that cost. To accomplish this, the debt service on the on debt incurred to fund assets associated with the delivery of water and sewer service was financed by the Water and Sewer Fund beginning in 1997.

### FUND FINANCIAL ACTIVITY:

**1998 Financial Activity.** The Water Fund is expected to exceed the revenue estimates used to develop the 1998 Budget. Based on historical consumption patterns of water and sewer services, the system should generate approximately \$2,900,000 in billings for services. If this occurs, revenues in the Water Fund will exceed revenue estimates by \$46,500. A dry summer probably accounts for this windfall.

Expenditures are also above the levels that were anticipated for 1998. The 1998 Budget appropriated \$840,000 to pay for purchased water. Through July the City has spent \$696,180. Again, using estimates based on historical consumption, the cost of purchased surface water will amount to \$1,000,000.

Altogether, Water Fund expenditures should amount to \$3.1, including debt service (\$506,810).

**The 1999 Budget.** The 1998 Budget is based on revenues of \$3,238,500; virtually the same as the 1998 budget. A 10% increase in water and sewer service rates in 1998 positioned the Water Fund to absorb increased debt service resulting from the bonds sold in 1998. The City's revenue bond covenants restrict the City from issuing new revenue bonds until the water and sewer system

is generating net revenues 1.25 times the current debt service. In 1997 the City just barely met this target.

Budgeted expenditures are \$3,220,730. System operations are expected to cost \$2,067,900, not

including the \$441,000 budgeted to reimburse the General Fund for costs it incurs on behalf of the Water Fund and \$711,130 to pay the principal and interest on outstanding revenue bonds.

<b>WATER AND SEWER UTILITY FUND STATEMENT OF REVENUES AND EXPENDITURES</b>				
	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
<b>BEGINNING BALANCE</b>	\$ 4,664,074	\$ 4,138,204	\$ 4,138,204	\$ 4,182,589
<b>OPERATING REVENUES</b>				
Service Charges				
Water	1,361,221	1,617,330	1,700,000	1,617,330
Sewer	1,056,929	1,171,170	1,135,000	1,171,170
Other	102,082	65,000	65,000	65,000
Interest Income	482,475	225,000	225,000	350,000
Other non-operating income	18,636	35,000	35,000	35,000
<b>TOTAL OPERATING REVENUES</b>	<b>3,021,343</b>	<b>3,113,500</b>	<b>3,160,000</b>	<b>3,238,500</b>
<b>TOTAL AVAILABLE</b>	<b>7,685,417</b>	<b>7,251,704</b>	<b>7,298,204</b>	<b>7,421,089</b>
<b>EXPENDITURES</b>				
Operations	2,005,623	1,998,070	2,167,805	2,068,600
Administration	410,000	441,000	441,000	441,000
Transfers to Other Funds	875,000	-	-	800,000
Debt Service	256,590	506,810	506,810	711,130
<b>TOTAL EXPENDITURES</b>	<b>3,547,213</b>	<b>2,945,880</b>	<b>3,115,615</b>	<b>4,020,730</b>
<b>ENDING BALANCE</b>	<b>\$ 4,138,204</b>	<b>\$ 4,305,824</b>	<b>\$ 4,182,589</b>	<b>\$ 3,400,359</b>

# CITY OF WEST UNIVERSITY PLACE 1999 BUDGET WORKSHEET

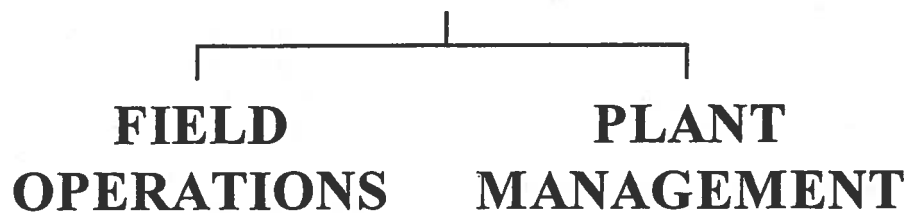
ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ACTUAL THRU July-98	1998 Est ACTUAL	1999 REQUEST
Reimburse general fund	\$ 410,000	\$ 441,000	\$ -	\$ 441,000	\$ 441,000
Transfers to other funds					
Capital Project Fund	500,000	-	-	-	800,000
Water Capital Res. Fund	375,000	-	-	-	-
Debt Service					
Principal	-	220,000	220,000	220,000	225,000
Interest	256,590	286,810	124,695	286,810	482,130
Other	-	-	-	-	4,000
GENERAL EXPENSES	<u>\$ 1,541,590</u>	<u>\$ 947,810</u>	<u>\$ 344,695</u>	<u>\$ 947,810</u>	<u>\$1,952,130</u>

Outstanding Bonded Indebtedness December 31, 1999 (Payable from Water and Sewer Revenues)				
	Outstanding 12/31/98	1999 Retirements	Outstanding 12/31/99	1998 Interest
1996A Water and Sewer Bonds	\$ 4,795,000	\$ 175,000	\$ 4,620,000	\$ 193,340
1996B Water and Sewer Bonds	1,470,000	50,000	1,420,000	84,710
1988 Water and Sewer Bonds	4,880,000	-	4,880,000	204,090
	<u>\$ 11,145,000</u>	<u>\$ 225,000</u>	<u>\$ 10,920,000</u>	<u>\$ 482,140</u>

# **WATER UTILITY OPERATIONS**

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## **PUBLIC WORKS DIRECTOR**



## **DEPARTMENT MISSION**

*To meet the Citizen's demand for potable water and dispose of waste water in compliance with regulations and consideration of the environment.*

# WATER UTILITY OPERATIONS

## ACTIVITY SUMMARY

The City's Water Utility Operations are the responsibility of the Public Works Director. The Department is separated into two divisions: Field Services and Plant Management. The Field Services Division installs, repairs, replaces and removes water meters; maintains fire hydrants; repairs water lines; repairs sewer lines; and repairs valves. The Plant Management Division operates, and maintains the City's water and sewer treatment facilities.

### *Accomplishments in 1998:*

- Completed major emergency repairs to Lift Station #2.
- Initiated major emergency repairs to the Screw Pumps at Wastewater Treatment Plant.
- Completed installation of Supervisory Control and Data Acquisition System for the Wastewater System.
- Completed installation of new odor control system at the Wastewater Treatment Plant.

### *Future objectives:*

- Complete major emergency repairs to Screw Pumps at Wastewater Treatment Plant.
- Rehabilitate No. 7 water well.
- Upgrade the Water System SCADA for year 2000 compliance.
- Complete engineering study on alternatives to Chlorine Gas at the Wastewater Treatment Plant.

### *Major Budget Items:*

- Purchased surface water. (\$900,000) Payments to the City of Houston for treated drinking water. Compliance with subsidence regulations.
- Electricity to operate water and wastewater plants, wells, and lift stations (\$240,000).

ACCOUNT DESCRIPTION	1997 ACTUAL	1998 BUDGET	ESTIMATED 1998	1999 REQUEST
<i>Field Services</i>				
Personnel	\$ 288,002	\$ 342,970	\$ 311,550	\$ 329,900
Operating charges	79,683	136,520	161,220	137,900
Capital	42,298	4,600	4,425	-
Total	409,983	484,090	477,195	467,800
<i>Plant Management</i>				
Personnel	228,178	235,100	236,280	238,000
Operating charges	1,348,107	1,262,880	1,438,330	1,362,800
Capital	19,355	16,000	16,000	-
Total	1,595,640	1,513,980	1,690,610	1,600,800
Department Total	2,005,623	1,998,070	2,167,805	2,068,600

## WATER AND SEWER UTILITY CAPITAL PROJECT FUND

The Water and Sewer Utility Capital Project Reserve Fund accounts for the financing of the major capital projects necessary to maintain the City's Water and Sewer Utility. The Reserve is to ensure that a sufficient fund balance is maintained to adequately finance major maintenance and repair projects.

Projects with values less than \$20,000 are routinely budgeted in the Water and Sewer Operating Fund. This Fund plans for larger projects, which are unusual in both the size and scope of the work.

### FUND ACTIVITY

The 1998 Budget provided \$100,000 to fund installing SCADA at the sewer plant.

During 1998 problems developed in the Sewer Plants Screw Pumps and funds were spent evaluating the extent of the repairs needed.

*New projects.* The Water Plant's computerized

operating system (called SCADA) needs to be upgraded to year 2000 software.

Water well number seven was recently evaluated. The existing pump was found to in need of repair. This project would replace or repair the pump.

The wastewater clarifier is zone where the flow of wastewater is slowed to allow solids to separate from the water. The mechanism that removes the solids from the bottom of the clarifier needs repairs to its gear drive.

EPA rules require the City to develop and maintain a risk management program to deal with a release of certain listed compounds, particularly chlorine gas. This project will provide specifications and cost estimates for alternatives to chlorine gas at the wastewater treatment plant.

WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE PROJECT SCHEDULE				
	Total Project Cost	Project Costs Through 1997	Estimated 1998	Budget 1999
<b>PROJECT STATUS</b>				
<i>Projects in progress Dec. 31, 1998</i>				
Screw pump repairs	\$ 610,000	\$ -	\$ 60,000	\$ 550,000
SCADA for Sewer Plant	225,000	-	30,000	195,000
<i>New Projects</i>				
Y2k upgrade for SCADA	25,000	-	-	25,000
#7 Water well renovations	175,000	-	-	175,000
West clarifier renovation	35,000	-	-	35,000
EPA R.M.P. rule alternatives	20,000	-	-	20,000
<i>Completed Projects</i>				
Odor control at sewage plant	30,000	-	30,000	-
Repair 12" sewer line	31,600	-	31,600	-
Repair contingency	20,000	-	-	20,000
<b>TOTAL PROJECT COSTS</b>	<b>\$ 1,171,600</b>	<b>\$ -</b>	<b>\$ 151,600</b>	<b>\$ 1,020,000</b>

**WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE  
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCE	\$ -	\$ 278,394	\$ 278,394	\$ 131,794
REVENUES				
Transfers from:				
Water and Sewer Operating Fund	375,000	-	-	800,000
Interest	10,251	-	5,000	11,000
TOTAL REVENUES	385,251	-	5,000	811,000
TOTAL AVAILABLE	385,251	278,394	283,394	942,794
EXPENDITURES				
Capital Projects	106,857	100,000	151,600	1,020,000
TOTAL EXPENDITURES	106,857	100,000	151,600	1,020,000
ENDING BALANCE	\$ 278,394	\$ 178,394	\$ 131,794	\$ (77,206)



## SOLID WASTE FUND

The City collects and disposes of solid waste for its citizens. Prior to 1998 this activity was accounted for in the General Fund. Since a policy goal of the City is to finance the solid waste service with user fees, the 1998 Operating Budget separated its financial activity from the General Fund and created an enterprise fund.

In addition to insuring that the solid waste service is truly fee supported, separating the waste removal service from the other services provided by the General Fund will highlight the impact of efforts to reduce the flow of waste to the landfill.

### FUND FINANCIAL ACTIVITY

**Financial Activity in 1998.** In its first year of operation, the Solid Waste Fund is expected to generate an estimated \$800,000 for solid waste services. Revenue from solid waste fees tends to be very stable.

The *direct* cost of providing solid waste services in 1998 is expected to amount to \$681,910. Direct costs include personnel, capital equipment, supplies, and services that can be directly related to the solid waste collection and disposal service. There are other, more difficult costs to quantify. Administrative, risk management, and equipment depreciation are

examples of indirect costs associated with the delivery of solid waste services. Primarily, the General Fund pays these costs. In 1998 \$190,000 was provided toward reimbursing the General Fund for these indirect costs.

**1999 Budget.** The 1999 Budget includes both the direct cost and again includes a reimbursement to the General Fund for the indirect costs. Indirect costs are allocated based on the number employees and the level of financial activity associated with the service.

In 1999 revenues are expected to be \$810,000, and the cost of service is expected to be \$905,300, including \$190,000 in indirect costs. The shortfall of revenues is directly offset by a subsidy from the General Fund.

A rate increase for solid waste services was postponed in 1998 in order to evaluate the impact of efforts to decrease the flow of yard waste and recyclable materials to the land fill has been fully evaluated. This program has decreased landfill tipping charges as much as \$30,000.

Other efforts to control costs are underway. The 1999 budget includes funding for a "pay as you throw" pilot program. Even so, the pressures for a rate increase remains.

SOLID WASTE FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ 128,090
OPERATING REVENUES				
Service Charges	-	800,000	800,000	810,000
Transfer from General Fund			200,000	100,000
TOTAL OPERATING REVENUE	-	800,000	1,000,000	910,000
TOTAL AVAILABLE	-	800,000	1,000,000	1,038,090
EXPENDITURES	-			
Operations	-	781,110	681,910	715,300
Administration	-	18,890	190,000	190,000
TOTAL EXPENDITURES	-	800,000	871,910	905,300
ENDING BALANCE	\$ -	\$ -	\$ 128,090	\$ 132,790

# **SOLID WASTE OPERATIONS**

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**PUBLIC WORKS  
DIRECTOR**

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**SOLID WASTE  
SERVICES**

## **DEPARTMENT MISSION**

**To provide a solid waste collection and disposal service that is effective, efficient and environmentally responsible.**

# SOLID WASTE OPERATIONS

## ACTIVITY SUMMARY

The Solid Waste Department reports to the City's Public Works Director. The Department collects solid waste from the City's residents and disposes of it; operates the City's recycling center; and collects limbs and other yard waste.

### *Accomplishments in 1998:*

- Worked closely with the Recycling Committee to reduce the amount of yard waste being sent to the landfill.

### *Future Objectives:*

- Analyze solid waste pick up routes to maximize efficiency and effectiveness.

### *Major Budget Items:*

- Landfill tipping fees (\$180,000).
- Motor Vehicle Maintenance (\$30,000).
- Contract services to maintain the City's old landfill (\$26,000).
- Payments to the General Fund for administration and insurance (\$190,000).

	1997	1998	ESTIMATED	1999
EXPENDITURES	ACTUAL	BUDGET	1998	REQUEST
Personnel	\$ 322,762	\$ 322,450	\$ 305,100	\$ 339,400
Operating Charges	475,770	405,410	376,810	375,900
Capital	-	-	-	-
TOTAL	\$ 798,532	\$ 727,860	\$ 681,910	\$ 715,300



# **THE DEBT SERVICE FUND**

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## FUND DESCRIPTION

The Debt Service Fund is established by ordinances authorizing the issuance of general obligation bonds. These same ordinances call for an ad valorem (property) tax to be levied in sufficient amount to produce the funds needed to satisfy the City's annual debt service requirements for its general obligation Bonds.

## FUND ACTIVITY

The City of West University Place uses debt financing to fund large capital investments. Streets, drainage, water and waste water systems are all constructed with borrowed funds. The Debt Service Fund does not finance all of the City's bonded debt service. The Water and Sewer Fund also provides funds to repay debt.

As re-development took hold in the City during the late 1980s, the need for infrastructure increased and in 1992 the City issued \$5,000,000 to initiate the current infrastructure replacement program. In 1993 another \$11,000,000 in general obligation bonds was sold.

During 1996, the City issued \$13,540,000 more bonds but only \$7,050,000 is to be retired through the Debt Service Fund. The remaining \$6,490,000 will be repaid in the Water and Sewer Fund.

In 1998 the City sold \$14,710,000 Permanent Improvement and Refunding Bonds that will be supported by the Debt Service Fund. \$9,350,000

of the proceeds from the sale of these bonds is to be used in the infrastructure replacement program. The balance of the bonds were issued to fund an escrow to refund the principal and interest on a portion of the City's 1992 Refunding and Permanent Improvement Bonds.

In 1999 the Debt Service Fund will finance \$3,628,430 of debt service, a 11.7 % increase over the amount funded in 1998.

To fund this increase, an ad valorem tax rate of \$0.21 per \$100, an increase of 2 cents from the 1998 tax rate, will be required in 1998. The tax rate is expected to rise, at least, an additional 2 cents to \$0.23 in 2000. The 1999 Budget reflects the use of interest earned on idle construction funds to offset increased debt service.

The City Charter limits the City's bonded debt to 5% of the assessed value. Since the projected assessed value for the City in 1999 is \$1.55 billion the current debt limit under this provision is \$77,500,000. As of January 1, 1999 the City will owe a total of \$31,065,000 for all outstanding bonds. Of this total amount the amount to be financed by the Debt Service Fund using property taxes will be \$24,800,000.

Moody's Investor Services and Standard and Poor's Ratings Group both reaffirmed the City's bond ratings. Steady growth in assessed values, the political stability of the community, and the underlying strength in the Houston Area economy should keep the City's credit ratings high.

<i>(Payable from Ad Valorem Taxes)</i>				
	Outstanding 12/31/98	1999 Retirements	Outstanding 12/31/99	1999 Interest
1988 Public Improvement Bonds	\$ 400,000	\$ 400,000	\$ -	\$ 13,800
1992 Refunding Bonds	9,235,000	2,040,000 *	7,195,000	413,322
1992 Permanent Imp. Bonds	4,575,000	4,150,000 *	425,000	38,650
1993 Permanent Imp. Bonds	10,525,000	225,000	10,300,000	556,763
1996 Permanent Imp. Bonds	7,050,000	170,000	6,880,000	396,025
1998 Permanent Imp. and Ref. Bonds	-	80,000	14,630,000	588,826
Tax Contract	650,000	130,000	520,000	27,040
	\$ 32,435,000	\$ 6,985,000	\$ 24,800,000	\$ 1,418,560
*Includes amounts refunded together with regular maturities				

GENERAL OBLIGATION DEBT SERVICE FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCE	\$ 1,102,160	\$ 938,752	\$ 938,752	\$ 898,302
REVENUES:				
Ad valorem taxes	2,525,088	2,850,000	2,874,500	3,241,450
Interest on investments	252,979	175,000	375,000	500,000
TOTAL REVENUES	2,778,067	3,025,000	3,249,500	3,741,450
TOTAL AVAILABLE RESOURCES	3,880,227	3,963,752	4,188,252	4,639,752
EXPENDITURES:				
Debt service -principal	1,085,000	1,295,000	1,425,000	1,585,000
Debt service - interest	1,851,638	1,822,150	1,855,950	2,034,430
Fiscal fees	4,837	9,000	9,000	9,000
TOTAL EXPENDITURES	2,941,475	3,126,150	3,289,950	3,628,430
ENDING BALANCE	\$ 938,752	\$ 837,602	\$ 898,302	\$ 1,011,322





# CAPITAL PROJECT FUNDS

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## CAPITAL PROJECT FUND

The Capital Project Fund finances the purchase or construction of expensive, highly specialized vehicles; equipment and vehicles having very long service lives; property; and buildings. Capital projects are characterized by their cost (normally exceeding \$25,000), the long operational life of the completed asset, and the impact they would have on a department's operating budget. Capital Projects are financed by debt proceeds, reserves, contributions, and interest earned on investments.

### FUND ACTIVITY

The City's Capital Project Fund's 1998 budget provided \$2,276,588 to fund projects. The sources of these funds are transfers from the General Fund and the Water and Sewer Fund; lease purchase contracts; grants; interest; and contributions.

The Fund began 1998 with \$1,884,809 on hand and will collect approximately \$710,000 in revenues. During 1998, an estimated \$2,593,245 will be spent on projects in progress, leaving a balance of \$1,564 available on December 31, 1998.

Projects completed in 1998 include *Judson Park*, *Recycling Center*, *Pool resurfacing*, and *Park Property Acquisition*.

**1999 Appropriations.** Appropriations for 1999 include funding for projects underway when the current fiscal year ends on December 31, 1998 and one new project.

Projects underway on January 1, 1998 include:

**Management Information System.** The City's computer system had become dated and did not comply with year 2000 programming standards. In 1997 the City began replacing all of its administrative and public safety computer

systems (both hardware and software). The original project cost was estimated at \$650,000.

The project has been expanded to include replacing the Building Permits and Service Request Systems. The total project is expected to cost \$745,000.

In order to closely track the cost of computer system installation, the 1999 Budget separates the overall project into the remaining components: Court Administration, Service Request, and Building Permits.

**City Hall Renovation.** The 1998 Budget provided \$1,540,000 to renovate City Hall. The building's problems with crowding, compliance with the American with Disabilities Act, and dated heating, ventilating and air conditioning systems have severely impacted its functionality. The total estimated cost of the project has been revised from \$1.7 million to \$1.8 million in order to reflect the cost of furniture for the new building.

This project will be completed in the first quarter of 1999.

**Whitt Johnson Park** – The renovation of this park is expected to begin in late 1998. The total project cost is expected to come to \$275,000.

**Park Improvements** – In 1997 \$5,000 was provided to develop a plan to renovate the locker room at Colonial Park. Recently, needs for extensive repairs were identified.

Only two completely new projects have been included in the 1999 Budget:

The Scout House needs renovating to eliminate poor acoustics. This project is expected to cost \$8,500.

Document management costs the City thousands of dollars each year. The 1999 Budget provides \$30,000 to implement a computerized imaging system to help eliminate duplication of filing.

**CAPITAL PROJECT FUND  
PROJECT SCHEDULE**

Active Projects	Total Project Cost	Project Costs Through 1997	Estimated 1998	1999 Budget
<i>New Projects</i>				
Scout House Improvements	\$ 8,500	\$ -	\$ -	\$ 8,500
Imaging document management	30,000	-	-	30,000
Radio Equipment Upgrade	130,000	-	-	130,000
<i>Active Projects</i>				
Whitt Johnson Park	250,000	-	50,000	225,000
Parks Improvements	100,000	388	30,000	50,000
Park property acquisition	275,000	-	250,000	25,000
City wide Management Information Sys.	625,000	62,095	507,000	53,000
Court administration system	50,000	-	25,000	25,000
Service request system	30,000	-	-	30,000
Building permit system	40,000	-	-	40,000
Municipal Building Renovation	1,850,000	108,041	1,540,000	200,000
<i>Completed Projects</i>				
Survey drainage ditch	10,000	-	10,000	-
Surveillance cameras at Recycling Ctr	29,968	-	29,968	-
Recycling Center	446,651	380,423	66,228	-
Pool resurfacing	65,000	-	65,000	-
Alarm Monitoring Equipment	125,000	159,895	-	-
Judson Park	265,462	245,413	20,049	-
<b>TOTAL PROJECT COSTS</b>	<b>\$ 4,330,581</b>	<b>\$ 956,255</b>	<b>\$ 2,593,245</b>	<b>\$ 816,500</b>

**CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1997	Estimated 1998	Budget 1999
<b>BEGINNING BALANCE</b>	<b>\$ 1,074,588</b>	<b>\$ 1,884,809</b>	<b>\$ 1,564</b>
<b>REVENUES</b>			
Transfers from:			
General Fund	500,000	300,000	200,000
Water and Sewer Fund	500,000	-	-
Parks Check Off Fund	-	35,000	-
Recycling Fund	20,000	25,000	25,000
Other revenues	5,952	25,000	75,000
Grants from Harris County	55,000	50,000	100,000
Interest earned on investments	95,097	100,000	150,000
Proceeds from Tax Contract	650,000	-	-
Contribution from Friends of the Park	-	175,000	275,000
<b>TOTAL REVENUES</b>	<b>1,826,049</b>	<b>710,000</b>	<b>825,000</b>
<b>TOTAL AVAILABLE</b>	<b>2,900,637</b>	<b>2,594,809</b>	<b>826,564</b>
<b>EXPENDITURES</b>			
Capital Projects	1,015,828	2,593,245	816,500
Transfer to Infrastructure Fund	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,015,828</b>	<b>2,593,245</b>	<b>816,500</b>
<b>ENDING BALANCE</b>	<b>\$ 1,884,809</b>	<b>\$ 1,564</b>	<b>\$ 10,064</b>

## INFRASTRUCTURE REPLACEMENT FUND

The Infrastructure Replacement Fund is used to account for the financing of the major capital projects associated with replacing the City's streets, drainage, water and waste water systems. This ambitious program was initiated in the early 1990s.

Easily qualifying as the largest public works program in the history of the City, the infrastructure replacement program is being financed with debt and grants. The program's broad public support was demonstrated in 1995, when the City's voters overwhelmingly approved a \$63,000,000 Bond Program.

The approach to this program is unique. Rather than defining the projects as an individual street project or drainage project, the City was divided into 12 priority areas. All infrastructure

replacement within a priority area is undertaken as a single project. This approach allows the contractor economies of scale, which translates into a lower total cost. Additionally, the disruption of City services is minimized.

### FUND ACTIVITY

During 1998, work was in progress on priority areas 4A, 4B/5A, and 5B/6A. Additionally, the slip lining of the sewer line connecting the City with its sewer plant was initiated with funds obtained from the bonds sold to the Texas Water Development Board for sewer improvements.

In September Bonds were sold to fund Priority Areas 6b and 7a. These projects are expected to cost \$14.4 million.

INFRASTRUCTURE REPLACEMENT FUND PROJECT SCHEDULE				
	Total Project Cost	Project Costs Through 1997	1998 Estimated	1999 Budget
<b>PROJECT STATUS</b>				
<i>Projects Completed in 1996</i>				
Area 3	\$ 6,216,158	\$ 6,216,158	\$ 2,000	\$ -
Area 4a	2,990,764	2,989,264	1,500	-
<i>Projects in Progress December 31, 1996</i>				
Area 4b/5a	6,650,000	2,707,793	2,500,000	2,000,000
Area 5b/6a	6,200,000	375,290	3,500,000	2,560,000
Area 6b	6,600,000	82,521	75,000	5,800,000
Area 7a	7,800,000	-	50,000	7,750,000
Slip lining of Sewer Line	1,200,000	-	1,200,000	15,000
<b>TOTAL PROJECT COSTS</b>	<b>\$ 37,656,922</b>	<b>\$ 12,371,026</b>	<b>\$ 7,325,000</b>	<b>\$ 18,125,000</b>

**INFRASTRUCTURE REPLACEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1997	Estimated 1998	Budget 1999
<b>BEGINNING BALANCE</b>	\$ 15,992,294	\$ 13,843,399	\$ 20,578,126
<b>REVENUES</b>			
Grants	495,245	270,000	270,000
Interest earned on investments	430,085	440,000	350,000
Bond Proceeds	-	14,246,056	-
<b>TOTAL REVENUES</b>	<b>925,330</b>	<b>14,956,056</b>	<b>620,000</b>
<b>TOTAL AVAILABLE</b>	<b>16,917,624</b>	<b>28,799,455</b>	<b>21,198,126</b>
<b>EXPENDITURES</b>			
Capital Projects	3,074,225	8,003,500	18,125,000
Bond issuance costs	-	217,829	-
<b>TOTAL EXPENDITURES</b>	<b>3,074,225</b>	<b>8,221,329</b>	<b>18,125,000</b>
<b>ENDING BALANCE</b>	<b>\$ 13,843,399</b>	<b>\$ 20,578,126</b>	<b>\$ 3,073,126</b>

## **EQUIPMENT REPLACEMENT FUND**

The City uses a wide variety of equipment to provide services to its citizens. The Equipment Replacement Fund finances the purchase of equipment routinely used by the City such as automobiles, trucks, tractors, trailers, and vans. Each department's budget provides a contribution to the Equipment Replacement Fund based on the estimated life and replacement value of its equipment. Equipment is purchased by the Fund when a combination of age and repair cost indicates that the machine has reached the end of its useful life.

### **FUND ACTIVITY**

The Equipment Replacement Fund was established in the 1998 Budget. Currently, the City has equipment that cost more than \$1.7 million in service. The cost to replace this equipment is estimated to exceed \$2.5 million.

In 1998 the City Budgeted \$312,500 to replace worn equipment. Operating Funds were charged \$341,890 to provide sufficient funds to purchase these replacements. Since actual expenditures for 1998 are now expected to be \$286,916, the

Equipment Replacement Reserve should grow to \$54,974.

In order to avoid fluctuations caused by replacing large capital and to more carefully plan for the orderly replacement of equipment, each department is charged an annual amount (roughly equivalent to a lease). This charge is transferred to the Equipment Replacement Fund and reserved for the purchase of replacement equipment. In 1999 the equipment replacement charges amount to \$341,890.

The City expects to spend \$145,000 replacing equipment in 1999. A new ambulance for the Fire Department that is expected to cost \$95,000 and two new police patrol cars should cost approximately \$25,000 each.

The ambulance is seven years old.

An automobile for police patrol duty has an estimated life of thirty months. The City's Police Department operates a fleet of nine automobiles, meaning that each year the City will have to replace one or two of these vehicles.

In 1999 revenues should exceed budgeted expenditures by \$196,890 to increase the Equipment Replacement Reserve to \$261,854.

	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCES	\$ -	\$ -	\$ -	\$ 54,974
REVENUES:				
Transfer from the General Fund	-	171,480	171,480	171,480
Transfer from the Water and Sewer Fund	-	63,700	63,700	63,700
Transfer from the Solid Waste Fund	-	104,210	104,210	104,210
Interest	-	2,500	2,500	2,500
TOTAL REVENUES	-	341,890	341,890	341,890
TOTAL AVAILABLE RESOURCES	-	341,890	341,890	396,864
EXPENDITURES:				
<i>General Fund</i>				
Police Department				
Detective car	-	27,000	26,825	25,000
Detective car	-	27,000	23,648	25,000
Patrol car	-	25,000	18,846	-
Fire Department				
Ambulance	-	-	-	95,000
Public Works Department				
Building Division	-	22,000	14,657	-
Streets Division - Street Sweeper	-	95,000	91,698	-
Parks and Recreation				
Parks and Recreation - Swimming Pool Eq	-	35,500	34,962	-
Senior Services Division - 1987 Handicap	-	35,000	40,702	-
<i>Water and Sewer Fund</i>				
Public Works Department				
Field Services Division - 1992 Pickup	-	23,000	17,789	-
Field Services Division - 1993 Pickup	-	23,000	17,789	-
TOTAL EXPENDITURES	-	312,500	286,916	145,000
ENDING BALANCE	\$ -	\$ 29,390	\$ 54,974	\$ 251,864





# **SPECIAL REVENUE FUNDS**

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## SPECIAL REVENUE FUNDS

Special Revenue Fund account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The City has two special revenue funds: the *Parks Fund* accounts for donations made by citizens for the specific purpose of improving the City's parks and the *Recycling Fund* accounts for revenues derived from the sale of recyclable materials which are set aside to further recycling in the community.

### THE PARKS FUND

The 1997 Budget appropriated \$47,000 to be used in Parks Programs. A smaller fund balance and lower interest rate reduced the amount available to transfer to \$35,000.

<b>PARKS FUND</b>				
<b>STATEMENT OF REVENUES AND EXPENDITURES</b>				
	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCE	\$ 32,694	\$ 37,550	\$ 37,550	\$ 9,050
REVENUES:				
Interest on investments	3,045	2,000	1,500	3,000
Contributions	1,811	5,000	5,000	5,000
TOTAL REVENUES	4,856	7,000	6,500	8,000
TOTAL AVAILABLE RESOURCES	37,550	44,550	44,050	17,050
EXPENDITURES:				
Parks programs	-	-	-	-
Transfer to Capital Project Fund	-	47,000	35,000	-
TOTAL EXPENDITURES	-	47,000	35,000	-
ENDING BALANCE	\$ 37,550	\$ (2,450)	\$ 9,050	\$ 17,050

## THE RECYCLING FUND

The Recycling Fund is closely related to the new Solid Waste Fund. The 1998 Budget was based on expected revenues of \$20,000. Actual 1998 revenues are projected to be much improved at \$41,500. The new Recycling Center is probably responsible for the increased revenue.

Expenditures in 1998 were limited to a \$25,000 transfer to the Capital Projects fund to support

the construction of the recycling center and expenditures for compost bins.

1999 revenues are expected to be \$41,500. Expenditures consist of a \$25,000 transfer to the Capital Projects Fund to offset the cost of the recycling center and \$12,000 to support recycling programs.

<b>RECYCLING FUND STATEMENT OF REVENUES AND EXPENDITURES</b>				
	Actual 1997	Budget 1998	Estimated 1998	Budget 1999
BEGINNING BALANCE	\$ 13,818	\$ 2,783	\$ 2,783	\$ 13,628
REVENUES:				
Interest on investments	1,199	1,500	1,500	1,500
Sales of Recyclables	18,795	20,000	40,000	40,000
Grants	-	-	6,345	-
TOTAL REVENUES	19,994	21,500	47,845	41,500
TOTAL AVAILABLE RESOURCES	33,812	24,283	50,628	55,128
EXPENDITURES:				
Recycling Programs	11,029	-	12,000	12,000
Transfer to Capital Project Fund	20,000	25,000	25,000	25,000
TOTAL EXPENDITURES	31,029	25,000	37,000	37,000
ENDING BALANCE	\$ 2,783	\$ (717)	\$ 13,628	\$ 18,128



# APPENDIX

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## BONDED DEBT

Most cities use long term debt to finance the construction or purchase of major capital assets. Since its incorporation 1925, the City has used debt to finance the construction of streets, drainage, water and sewer assets.

As the City became "built out" in the 1950s the need for new debt declined and by 1983 the City

The City began to experience problems similar to those experienced in developing areas. Streets and drainage systems that were already approaching the end of their useful lives were taxed to the breaking point. In 1982 the citizens approved \$3.3 million in bonds to be issued to construct a new police station and reconstruct the most deteriorated street, water, and sewer assets.

Outstanding Bonded Indebtedness December 31, 1999	
<b>Bonded Indebtedness Payable from Ad Valorem Taxes</b>	
1992 Refunding Bonds	\$ 7,195,000
1992 Permanent Imp. Bonds	425,000
1993 Permanent Imp Bonds	10,075,000
1996 Permanent Imp Bonds	6,720,000
1998 Permanent Imp and Refunding Bonds	14,710,000
<b>Bonded Indebtedness Payable from Water and Sewer Revenues</b>	
1996B Waterworks and Sewer System Imp. Bonds	1,420,000
1996A Waterworks and Sewer System Imp. Bonds	4,620,000
1998 Waterworks and Sewer System Imp. Bonds	4,880,000
<b>Total Bonded Indebtedness</b>	<b>\$ 50,045,000</b>

had only \$1.1 million in outstanding bonded debt. Even so, the City was on the brink of momentous change. In 1983 the assessed value of taxable property in the City totaled \$424,360,000. Fifteen years later in 1998, assessed values have increased by more than **\$1.1 billion** to \$1,550,000,000. This tremendous increase in value came as the result of an economic and social trend which is still underway.

West University Place's assessed values shot up because it was attractive to managerial and professional employees who wished to be closer to their work. The City's low crime rate, trees, good public transportation, and convenient access to both the Medical Center and downtown triggered a building boom similar to a new developing City. Older homes were torn down and replaced with new structures at an astonishing rate.

This bond issue was the first since 1976.

The City next bond sale wasn't until 1992. The need to reconstruct the City's infrastructure was becoming acute. This bond sale marked the beginning of the

current program.

Currently the City is following a plan approved by the citizens in November 1995. This plan calls for long term debt to be used in reconstructing essentially the City's entire infrastructure by the year 2005. The plan calls for the City to issue \$63 million of bonds. All of the proceeds of these bonds are to be applied to infrastructure.

The new debt called for in this plan is to be supported by ad valorem taxes and net revenues from the water and sewer utility. The progress on this financing program is detailed below:

Purpose/Type	Amount	Amount	Authorized
	Authorized	Issued	But Unissued
Street and Drainage Tax Bonds	\$ 45,000,000	\$ 16,500,000	\$ 28,500,000
Water Revenue Bonds	5,200,000	3,150,000	2,050,000
Sewer Revenue Bonds	12,800,000	8,220,000	4,580,000

The bonds issued in 1998 should fund the City's reconstruction activity until late 1999 or early 2000, so no new bond issues are scheduled until then.

# STAFFING SCHEDULE

		BUDGET		SALARY RANGE	
POSITION	GRADE	1998	1999	MINIMUM	MAXIMUM
Administration					
City Manager	N/C	1	1	87,999 (current)	
City Secretary	N/C	1	1	44,564 (current)	
Administrative Assistant	39	1	1	39,000	59,124
Total administration		3	3		
Finance					
Finance					
Finance Director	N/C	1	1	64,503 (current)	
Personnel/Risk Specialist	40	1	1	30,036	43,908
Deputy Tax/Assessor Collector	38	1	1	25,752	36,720
Accounting Specialist	36	3	3	22,440	31,188
Utility Billing Specialist	37	1	1	23,988	33,780
Customer Service Representative	35	1	1	21,084	28,932
Municipal Court					
Municipal Court Clerk	39	1	1	27,756	40,080
Deputy Court Clerk	35	1	1	21,084	28,932
Total Finance		10	10		
Police Department					
Police					
Chief	N/C	1	1		
Patrol Lieutenant	43	4	4	39,000	59,124
Patrol Sergeant	41	4	4	39,000	59,124
Animal Control Officer	36	1	1	22,440	31,188
Police Officer	38	12	12	28,000	36,720
Communications					
Records Secretary	36	1	1	22,440	31,188
Police Dispatchers	36	5	5	22,440	31,188
Total Police		28	28		
Fire Department					
Chief		1	1		
Fire Captain	43	3	3	39,000	59,124
Fire Marshal	43	-	1	39,000	59,124
Fire Lieutenant	41	3	3	32,628	48,288
Firefighter	38	12	12	27,000	36,720
Secretary-Fire	36	1	1	22,440	31,188
Total-Fire Department		20	21		
Public Works					
Public Works Administration					
Public Works Director	N/C	1	1		
Secretary Public Works	36	1	1	22,440	31,188
Administrative Assistant	39	1	1	27,756	40,080
Management Assistant	39	1	1	27,756	40,080
Building Division					
Chief Building Official	43	1	1	39,000	59,124



POSITION	GRADE	BUDGET		SALARY RANGE	
		1998	1999	MINIMUM	MAXIMUM
Assistant Building Official	40	1	1	30,036	43,908
Building Inspector	38	1	1	27,500	36,720
Urban Forester	39	1	1	27,756	40,080
Building Secretary	36	2	2	22,440	31,188
<i>Streets and Drainage</i>					
General Service Supervisor	41	1	1	32,628	48,288
Crew Chief-Street	38	1	1	25,752	36,720
Equipment Operator-Street	34	4	4	19,896	26,940
Maintenance Worker-Street	32	4	4	17,928	23,628
<i>Fleet and Facility</i>					
Building Maintenance Supervisor	34	1	1	19,896	26,940
Mechanic	34	1	1	19,896	26,940
<b>Total-Public Works</b>		22	22		
<i>Parks and Recreation</i>					
<i>Parks and Recreation</i>					
Parks and Recreation Director	N/C	1	1		
Recreation Manager	39	1	1	27,756	40,080
Secretary-Community Building	36	1	1	22,440	31,188
<i>Senior Services</i>					
Senior Services Manager	40	1	1	30,036	43,908
Senior Services Assistant Manager	34	1	1	19,896	26,940
Custodian	32	1	1	17,928	23,628
<b>Total-Parks and Recreation</b>		6	6		
Total General Fund		89	90		
<i>Field Services</i>					
Supervisor-Utilities	41	1	1	32,628	48,288
Crew Chief-Field Services	38	1	1	25,752	36,720
Crew Leader-Field Services	35	3	3	21,084	28,932
Maintenance Worker-Field Services	33	3	3	18,840	25,176
Maintenance Worker I-Field Services	32	1	1	17,928	23,628
<i>Plant Management</i>					
Plant Supervisor	41	1	1	32,628	48,288
Plant Operator II	38	1	1	25,752	36,720
Plant Operator I	34	2	2	19,896	26,940
Plant Operator Trainee	32	1	1	17,928	23,628
Plant Operator I (Provisional)	32	1	1	17,928	23,628
<i>Solid Waste Management</i>					
Chief-Solid Waste	38	0	0		
Driver-Solid Waste	35	4	4	21,084	28,932
Laborer-Solid Waste	33	5	5	18,840	25,176
<b>Total-Operations</b>		24	24		
Total Employees		113	114		

## MAJOR REVENUE SOURCES

The City relies on four major sources of revenue to finance its activities.

### PROPERTY TAXES:

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1 for all real and business personal property located within the City. Taxes are levied when the City Council adopts a budget for the next year, but no earlier than October 1. Taxes are due January 31 and are considered delinquent after that date. Property tax revenues are based on three major factors: assessed or estimated value, the rate of collection of outstanding balances, and the property tax rate.

The Harris County Appraisal District (HCAD) is responsible for appraising the values of property sited within Harris County. State law requires HCAD to appraise all property in its jurisdiction at least every five years at 100% of the estimated market value. The oversight of this process is vested in the Appraisal Review Board. Residential property accounts for nearly 96% of all property value in the City. The ratio of residential property value to total value has grown steadily for the past five years, while commercial and utility property values continue to decline as a component of total value. This trend will continue into the future.

Tax Rate Comparison	
Jurisdiction	Tax Rate
Bellaire	0.5100
Houston	0.6650
Southside Place	0.2300
Jersey Village	0.6840
Spring Valley	0.4500
Sea Brook	0.5494

The City establishes the tax rate, assesses, and levies the tax. State law provides that if the City raises the rate more than 8% (after certain adjustments) above the previous year's rate, the voters can petition for an election to determine whether to limit the tax rate to no more than 8% above last year's rate. Taxes are applicable to the year subsequent to the one in which they are levied.

The City's property tax policy has been to decrease or maintain the amount of property taxes dedicated to maintenance and operations and increase the portion dedicated to paying debt service. Since 1991 when the debt service component of property taxes amounted to less than 25% of the total tax rate, debt service payments have risen to consume half of the property taxes collected. This trend is projected

Tax Rate Comparison	
Jurisdiction	Tax Rate
Bellaire	0.5100
Houston	0.6650
Southside Place	0.2300
Jersey Village	0.6840
Spring Valley	0.4500
Sea Brook	0.5494

to continue with the debt service rate growing to around 55 cents per \$100 by 2007.

The City's 1999 property tax revenue is based on an estimated assessed value of \$1,550,000 and a 99% collection rate. The estimated market value of taxable property has grown steadily since 1987. This growth has been remarkable, property values have almost doubled in ten years. The property tax rate in 1998 will be \$0.4200 per \$100 valuation, two cents above last year's rate. Increased debt service requirements caused the need for this increase.

### UTILITY FEES:

*Water and sewer service fees:* The City provides water and sewer services to approximately 5,880 customers. Of this total, about 97% are residential and 3% are commercial. The City serves 190 customers located outside the City's limits.

The City increased its water and sewer rates 10% in 1998 budget to fund the debt service on bonds issued in 1996. The City sold bonds again in 1998. When the financial impact of debt service on those bonds is fully felt, a new rate increase will be necessary.

#### **Solid Waste Fees:**

The City collects and disposes of solid waste for its citizens. This service is provided twice weekly at curbside.

Additionally, the City operates a curbside recycling program for the benefit of its citizens. A \$13.75 monthly fee funds these services for citizens under 65 years of age. The monthly fee is \$6.00 per month for citizens over 65 years of age. These fees are expected to generate \$800,000 in 1998.

For the past two years, this activity has been accounted for in a separate fund in order to more clearly match the cost of this service with the fees associated with it. The rate charged for solid waste services has not been sufficient to cover costs and the City's General Fund has been providing a subsidy to this activity. A rate increase appears to be likely in 2000, once a "pay as you throw" has been completed and an

operational audit of the service delivery costs has been completed.

#### **SALES TAX:**

The sales tax in the City of West University Place is currently 8.25% of goods and services sold within the City. The tax is collected by businesses making the sale and remitted to the State Comptroller of Public Account. Of the 8.25%, the State retains 6.25% and, distributes 1% to the Metropolitan Transit Authority, and 1% to the City.

In 1999 the City expects to receive \$556,000 from sales taxes, up steadily over previous years.

#### **FRANCHISE FEES:**

The City maintains non-exclusive franchise agreements with utility companies that use the City's roadway rights-of-way to conduct their businesses. Besides defining the responsibilities of the utilities in maintaining their assets, the agreements contain a franchise fee clause requiring the utilities to compensate the City for the use of the rights-of-way. Generally, these fees are based on a percentage of the utilities gross receipts generated by services provided to customers located within the City's corporate limits. Franchise fees are expected to generate \$714,000 in 1999.

	<i>Residential</i>	
	<i>Water</i>	<i>Sewer</i>
First 150 gallons	\$6.00 to \$16.65 (a)	\$4.50
Over 150 gallons	\$1.90 per 100 gallons	\$1.70 per 100 gallons
	<i>Outside City Limits</i>	
First 150 gallons	\$8.25 to \$25.99	NA
Over 150 gallons	\$2.20 per 100 gallons	NA
	<i>Commercial</i>	
Minimum Charge	\$12.65 to \$26.00 (a)	\$7.15
Each 1,000 gallons	\$1.90	\$1.85
(a) Depending on the size of the meter.		

## GLOSSARY OF TERMS

- A- ACCOUNT:** A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance, or fund balance

**ACCOUNTS PAYABLE:** A liability account reflecting amounts on open account owing to private persons or organizations for goods and services received by a government but not including amounts due to other funds of the same government or to other governments).

**ACCOUNTS RECEIVABLE:** An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

**AD VALOREM:** Latin for "value of". Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

**APPROPRIATION:** A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligations for designated purposes.

**ASSESSED VALUATION:** A valuation set upon real estate or other property by a government as a basis for levying taxes.

- B- BALANCE SHEET:** The basic financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

**BASIS OF ACCOUNTING:** The modified accrual basis of accounting is followed by Governmental funds, Expendable Trust funds and Agency funds. Under the modified accrual basis of accounting, revenue are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

Substantially all revenues are considered to be susceptible to accrual. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used for guidance. Intergovernmental revenues are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City's Proprietary fund is accounted for using the accrual basis of accounting, under which revenues are recorded when earned and expenses are recorded when liabilities are incurred.

**BOND:** A written promise, generally under seal, to pay a specific amount of money, called the face value, at a fixed time in the future, called the maturity date, and carrying interest at fixed rate, usually paid periodically.

**BUDGET:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**BUDGET ORDINANCE:** The official enactment by the City Council establishing the legal authority for city officials to obligate and expend funds.

- C- CAPITAL OUTLAYS:** Expenditures which result in the acquisition of or addition to fixed assets which are individually priced more than \$1000.

**CAPITAL IMPROVEMENTS PROGRAM:** A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project and the amount and method of financing.

**CENTRAL APPRAISAL DISTRICT:** A county-wide district formed by legislature to provide appraisals of property located within the county. These county-wide appraisals are provided to the county, school districts, cities and municipal utility districts for basis of taxation.

**CURRENT ASSETS:** Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments and taxes receivable which will be collected within one year.

**CURRENT LIABILITIES:** Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed or refunded within one year.

**-D- DEBT SERVICE:** A cost category which typically reflects the repayment of general long-term debt principle and interest.

**DELINQUENT TAXES:** Property taxes remaining unpaid at the end of the current fiscal year. Although taxes become delinquent and accrue penalties and interest on February 1 of each year, they are carried as current taxes receivable during the current fiscal year.

**-E- EFFECTIVE INTEREST RATE:** The property tax rate set necessary to generate the same tax dollars as the previous tax year.

**ENCUMBRANCES:** Obligations in the form of purchase orders or contracts charged to an appropriation which reserves the funds until it is necessary to pay the bill.

**-F- FISCAL YEAR:** A twelve month period at the end of which the City determines its financial condition and the results of its operations and closes its books.

**FIXED ASSETS:** Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery and equipment.

**FRANCHISE:** A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**FUND:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**FUND BALANCE:** The difference between governmental fund assets and liabilities, also referred to as fund equity.

**-G- GENERAL LEDGER:** A book, file or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double-entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances.

**GENERAL OBLIGATION BONDS:** Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of West

University place pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

**GOVERNMENTAL FUNDS:** Those funds through which most governmental functions typically are financed. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service Funds).

**-M- MODIFIED ACCRUAL BASIS:** This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability which revenues are not recorded until they are both measurable and available.

**-O- ORDINANCE:** A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

**-P- PERSONAL SERVICES:** The costs associated with compensating employees for their labor.

**PURCHASE ORDER:** A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**-R- REVENUES:** Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers.

**-S- SPECIAL REVENUE FUND:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**-T- TAXES:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

**TAX RATE:** The amount of tax levied for each \$100 of assessed valuation.

**-U- USER FEES:** The payment of a fee for a direct receipt of a public service by the party benefiting from the service.